

NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 5. DEPARTMENT OF HEALTH SERVICES CHILD CARE FACILITIES

[R06-415]

PREAMBLE

- | | |
|------------------------------------|---------------------------------|
| 1. <u>Sections Affected</u> | <u>Rulemaking Action</u> |
| R9-5-404 | Amend |
| R9-5-517 | Amend |
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
Authorizing statutes: A.R.S. §§ 36-104(3) and 36-136(F)
Implementing statutes: A.R.S. § 36-883(A)
- 3. A list of all previous notices appearing in the Register addressing the proposed rules:**
Notice of Rulemaking Docket Opening: 12 A.A.R. 2574, July 21, 2006
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	Lourdes Ochoa, State Licensing Manager
Address:	Arizona Department of Health Services Division of Licensing Services Office of Child Care Licensing 150 N. 18th Ave., Suite 400 Phoenix, AZ 85007
Telephone:	(602) 364-2539
Fax:	(602) 364-4768
E-mail:	ochoal@azdhs.gov
or	
Name:	Kathleen Phillips, Rules Administrator
Address:	Arizona Department of Health Services Office of Administrative Rules 1740 W. Adams, Suite 202 Phoenix, AZ 85007
Telephone:	(602) 542-1264
Fax:	(602) 364-1150
E-mail:	phillik@azdhs.gov
- 5. An explanation of the rules, including the agency's reasons for initiating the rules:**
The Arizona Department of Health Services (Department) is amending the child care licensing rules for the transportation of children in R9-5-517. The rule revision will allow a staff member who is not a teacher-caregiver to transport

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a child in a motor vehicle. The Department is reorganizing the subsections by moving some provisions from R9-5-404 to R9-5-517. The proposed changes will make the rules consistent with current statutes and conform to rulemaking format and style requirements of the Governor's Regulatory Review Council and the Office of the Secretary of State.

6. A reference to any study relevant to the rules that the agency reviewed and either proposes to rely on or not to rely on in its evaluation of or justification for the rules, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Department did not review or rely on any study related to this rulemaking.

7. A showing of good cause why the rules are necessary to promote a statewide interest if the rules will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The rules for Child Care Facilities apply to the approximately 2,192 child care facilities licensed by the Department, as of September 11, 2006.

In this preliminary economic impact summary, "minimal" means less than \$1,000; "moderate" means \$1,000 to \$10,000; "substantial" means greater than \$10,000; and "significant" means meaningful or important, but not readily subject to quantification.

Cost Bearers

- The Department will incur a minimal cost from the rulemaking process and a minimal-to-moderate cost in notifying licensees of the changes to the rules.

Beneficiaries

- A licensee that uses a staff member, who is not teacher-caregiver qualified, to transport a child, will receive a significant benefit from having the rule become consistent with the licensee's current practice.

The Department does not believe that any other persons will be impacted by the changes in this rulemaking.

The Department has determined that the benefits outweigh the costs associated with this rulemaking.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Lourdes Ochoa, State Licensing Manager

Address: Arizona Department of Health Services
Division of Licensing Services
Office of Child Care Licensing
150 N. 18th Ave., Suite 400
Phoenix, AZ 85007

Telephone: (602) 364-2539

Fax: (602) 364-4768

E-mail: ochoal@azdhs.gov

or

Name: Kathleen Phillips, Rules Administrator

Address: Arizona Department of Health Services
Office of Administrative Rules
1740 W. Adams, Suite 202
Phoenix, AZ 85007

Telephone: (602) 542-1264

Fax: (602) 364-1150

E-mail: phillik@azdhs.gov

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rules, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rules:

The Department has scheduled the following oral proceedings:

Date: December 5, 2006

Time: 1:30 p.m.

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Location: 150 N. 18th Ave., Rm. 415C
Phoenix, AZ 85007

and

Date: December 6, 2006

Time: 10:30 a.m.

Location: 400 W. Congress, Rm. 131
Tucson, AZ 85701

A person may submit written comments on the proposed rules until the close of record at 5:00 p.m. on December 6, 2006, to either of the individuals listed in items #4 and #9.

A person with a disability may request a reasonable accommodation by contacting Thomas Salow at (602) 364-1935 or salowt@azdhs.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

**CHAPTER 5. DEPARTMENT OF HEALTH SERVICES
CHILD CARE FACILITIES**

ARTICLE 4. FACILITY STAFF

Section
R9-5-404. ~~Staff-to-children~~Children Ratios

ARTICLE 5. FACILITY PROGRAM AND EQUIPMENT

Section
R9-5-517. Transportation

ARTICLE 4. FACILITY STAFF

R9-5-404. ~~Staff-to-children~~Children Ratios

A. A licensee shall ensure that at least the following staff-to-children ratios are maintained at all times when providing child care services to enrolled children:

<i>Age Group</i>	<i>Staff: Children</i>
Infants	1:5 or 2:11
1-year-old children	1:6 or 2:13
2-year-old children	1:8
3-year-old children	1:13
4-year-old children	1:15
5-year-old children not school-age	1:20
School-age children	1:20

B. A licensee shall ensure that child care personnel:

1. ~~Place~~ Ensure that an enrolled children child is placed in an age-appropriate or developmentally appropriate ~~groups~~ group;
2. Determine and maintain the required staff-to-children ratio for a each group of enrolled children based on the age of

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- the youngest child in the group;
3. Allow a volunteer to be counted as staff in staff-to-children ratios; and
 4. Not allow a student-aide to be counted as staff in staff-to-children ratios; ~~and~~
 5. ~~When six or more children are present in a facility, not place an infant for supervision with children who are not infants.~~
- C. A licensee shall ensure that:
1. ~~At at~~ At least two staff members are on facility premises when six or more children of any age group are present in a facility;
 2. ~~At least one staff member shall be a~~ who meets the qualifications of a teacher-caregiver is present when an enrolled child is in a facility;
 3. ~~When five or fewer enrolled children are present in a facility, one teacher-caregiver shall be on facility premises and another and one staff member is present in a facility, an additional staff member shall be~~ is available by telephone or other equally expeditious means and able to reach the facility within 15 minutes of after notification; and
 4. ~~When six or more enrolled children are present in a facility, an infant is not placed for supervision with children who are not infants.~~
- D. A licensee may allow a staff member to perform duties other than child care if the duties are not undertaken simultaneously with the supervision of children in the staff member's charge.
- E. In addition to maintaining the required staff-to-children ratios, a licensee shall ensure that staff members are present on facility premises to perform facility administration, food preparation, food service, and maintenance responsibilities. Facility maintenance shall not be dependent on the work of enrolled children.
- F. When six or more enrolled children are participating in a field trip, a licensee shall ensure that a teacher-caregiver and at least one additional staff member are present on the field trip.
- ~~G. When transporting enrolled children who are not school age in a motor vehicle, a licensee shall maintain the staff-to-children ratios required by subsection (A) in addition to the motor vehicle driver unless four or fewer children are being transported.~~
- ~~H. When transporting children of school age in a motor vehicle, a licensee shall maintain the staff-to-children ratio required by subsection (A). A licensee may include the motor vehicle driver as staff in the staff-to-children ratio.~~
- ~~I. G.~~ If a licensee conducts swimming activities at a swimming pool that has on the premises, a lifeguard ~~on the premises~~ who has current lifesaving certification from the American Red Cross, a licensee shall maintain staff-to-children ratios required by subsection (A).
- ~~J. H.~~ If a licensee conducts swimming activities at a swimming pool that does not have on the premises, a lifeguard ~~on the pre-mises~~ who has current lifesaving certification from the American Red Cross, the licensee shall maintain staff-to-children ratios stated in subsection (A) and have at least one additional staff member present who:
1. Has a current lifesaving ~~certificate~~ certification from the American Red Cross; and
 2. Is ~~present~~ in the pool or observing pool side while enrolled children are at the pool.

ARTICLE 5. FACILITY PROGRAM AND EQUIPMENT

R9-5-517. Transportation

- A. A licensee who transports an ~~providing transportation to~~ enrolled child ~~children~~ in a motor vehicle that the licensee owns, or acquires for use by contract, shall:
1. Ensure that the motor vehicle is registered by the Arizona Department of Transportation as required by A.R.S. § 28-2051 et seq.;
 2. Ensure that the ~~facility possesses current insurance coverage for the motor vehicle~~ has current insurance coverage, as required by A.R.S. § 28-4131 et seq., ~~The licensee shall and maintain documentation proof of the current motor vehicle insurance coverage on the facility premises and inside the each motor vehicle used for transporting enrolled children;~~
 3. ~~Contact~~ Notify the Department ~~by telephone or other equally expeditious means within no later than 24 hours after of~~ a motor vehicle accident that occurs while transporting ~~children~~ an enrolled child;
 4. Submit a written report to the Department within seven days ~~of after~~ a motor vehicle accident that occurs while transporting ~~children~~ an enrolled child;
 5. Not permit an enrolled child to be transported in a truck bed, camper, or trailer attached to a motor vehicle;
 6. ~~When transporting enrolled children use~~ Use a child passenger restraint system, as required by A.R.S. § 28-907, for each child who is ~~4 years of age or younger, or who weighs 40 pounds or less~~ younger than five years of age;
 7. ~~When transporting enrolled children, use~~ Use an adjustable lap belt or an integrated lap and shoulder belt for each child who is ~~over 4 years of age or who weighs over 40 pounds~~ five years of age or older. ~~A public or private school transporting an enrolled child in a commercial motor vehicle, defined in A.R.S. § 28-1301(1), is exempt from this provision;~~
 8. Ensure that ~~Equip~~ a motor vehicle has used to transport enrolled children with:

- a. A working mechanical heating system capable of maintaining a temperature throughout the motor vehicle of at least 60° F when outside air temperatures are below 60° F₂;
 - b. A working air-conditioning system capable of maintaining a temperature throughout the motor vehicle at or below 86° F when outside air temperatures are above 86° F₂. ~~A public or private school transporting an enrolled child in a commercial motor vehicle, as defined in A.R.S. § 28-1301(1), is exempt from this provision;~~
 - c. A first aid kit that meets the requirements of R9-5-514(A)₂ ~~and two towels or blankets;~~
 - d. Two towels or blankets, and
 - d.e. Water sufficient for the needs of each enrolled child in the motor vehicle Drinking water in an amount sufficient to meet the needs of each enrolled child in the motor vehicle and sufficient cups or other drinking receptacles so that each individual in the motor vehicle can drink from a different cup or receptacle;
9. Ensure that the ~~Maintain~~ a motor vehicle ~~being used to transport enrolled children~~ is maintained in a clean condition;
 10. Ensure that the ~~Maintain~~ a motor vehicle ~~being used to transport enrolled children~~ is maintained in a mechanically safe condition; and
 11. Maintain the service and repair records of the motor vehicle ~~all motor vehicles that are owned or leased by a licensee for the transportation of enrolled children~~ as follows:
 - a. A person operating a single child care facility shall maintain the service and repair records for at least 12 months ~~from~~ after the date of an inspection or repair in a single location on facility premises₂;
 - b. A public or private school that uses a school bus₂ as defined in A.R.S. § 28-101(41)₂ shall maintain the service and repair records for the school bus as provided in A.A.C. R17-9-108(F)₂; and
 - c. A school governing board, a charter school, or a person operating multiple child care facilities shall maintain the service and repair records for any motor vehicle other than a school bus for at least 12 months ~~from~~ after the date of an inspection or repair in a single administrative office located in the same city, town, or school attendance area as the facility.
- B.** A licensee shall ensure that an individual who drives a motor vehicle used to transport an enrolled children child:
1. Is 18 years of age or older. ~~If the motor vehicle driver is a staff member, the staff member shall be a teacher caregiver;~~
 2. Holds a valid driver's license issued by the Arizona Department of Motor Vehicles as prescribed by A.R.S. § 28-3151 et seq.;
 3. Carries in the motor vehicle a list stating the name of each enrolled child being transported and a copy of each child's Emergency, Information, and Immunization Record card;
 4. Requires that each door be locked before the a motor vehicle is set in motion and keeps the doors ~~remain~~ locked while the motor vehicle is in motion;
 5. Requires that each enrolled child ~~remains~~ remain seated and entirely inside the a motor vehicle while the motor vehicle is in motion;
 6. Requires that each enrolled child is be secured in a seat belt before the motor vehicle is set in motion and while the a motor vehicle is in motion. ~~A public or private school transporting an enrolled child in a commercial motor vehicle, defined in A.R.S. § 28-1301(1), is exempt from this provision;~~
 7. Does not permit an enrolled child in the a motor vehicle to open or close a ~~motor vehicle~~ door or window;
 8. Sets the emergency parking brake and removes the ignition keys from the motor vehicle before exiting the motor vehicle;
 9. Ensures that each enrolled ~~children are~~ child is loaded into ~~on to~~ or unloaded from the a motor vehicle away from moving traffic at curbside; or in a driveway, parking lot₂ or other location designated for this purpose; and
 10. Does not use audio headphones or a ~~ear~~ telephone while the a motor vehicle is in motion.
- C.** When transporting an enrolled school-age child in a motor vehicle, a licensee shall ensure that the staff-to-children ratios required in R9-5-404(A) are met. A motor vehicle driver may be counted in the staff-to-children ratio, when transporting an enrolled school-age child in a motor vehicle, if the motor vehicle driver meets the qualifications of a teacher-caregiver.
- D.** When transporting an enrolled child who is not school-age in a motor vehicle, a licensee shall ensure that the staff-to-children ratios required in R9-5-404(A) are met. A motor vehicle driver may be counted in the staff-to-children ratio, when transporting an enrolled child who is not school-age in a motor vehicle, only if there are four or fewer children being transported and the motor vehicle driver meets the qualifications of a teacher-caregiver.
- E.** A licensee who is transporting an enrolled child in a commercial vehicle, as defined in A.R.S. § 28-1301, is exempt from the provisions in subsections (A)(7), (A)(8)(b), and (B)(6).
- F.** A licensee who is transporting an enrolled child in a school bus, as defined in A.R.S. § 28-101, is exempt from the provision in subsection (A)(8)(c) and shall comply with A.A.C. R17-9-110.

NOTICE OF PROPOSED RULEMAKING

TITLE 15. REVENUE

CHAPTER 5. DEPARTMENT OF REVENUE
TRANSACTION PRIVILEGE AND USE TAX SECTION

[R06-412]

PREAMBLE

- 1. Sections Affected**

R15-5-180	Amend
R15-5-182	Amend
R15-5-403	Amend
R15-5-406	Amend
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. §§ 42-1005 and 42-5008
Implementing statutes: A.R.S. §§ 42-5061 and 42-5073
- 3. A list of all previous notices appearing in the Register addressing the proposed rules:**

Notice of Rulemaking Docket Opening: 12 A.A.R. 4107, November 3, 2006
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Len Heugly, Tax Analyst
Address: Tax Policy and Research Division
Arizona Department of Revenue
1600 W. Monroe, Room 810
Phoenix, AZ 85007
Telephone: (602) 716-6039
Fax: (602) 716-7995
E-mail: LHeugly@azdor.gov

Please visit the ADOR Web site to track the progress of these rules and other agency rulemaking matters at www.azdor.gov/ResearchStats/draftdocuments.htm.
- 5. An explanation of the rules, including the agency's reasons for initiating the rules:**

The following rulemaking is pursuant to changes recommended in the latest 5-year review report of the rules in Chapter 5 of Title 15 applicable to transaction privilege taxes imposed under the retail classification and amusement classification. The Department is amending these rules to conform to current rule writing standards, to delete unnecessary language, to make correct statutory citation and to reflect statutory changes.
- 6. A reference to any study relevant to the rules that the agency reviewed and either proposes to rely on or not to rely on in its evaluation of or justification for the rules, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

None
- 7. A showing of good cause why the rules are necessary to promote a statewide interest if the rules will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable
- 8. The preliminary summary of the economic, small business, and consumer impact:**

There should be little to no economic impact associated with amending these rules. The changes are intended to clarify the rules and make them more readable for taxpayers. The changes delete unnecessary language, correct statutory citation, and clarify Department policy. For nonprofit organizations qualifying for exemption from the transaction privilege tax under the retail classification, the change should clarify that the Department does not make a separate determination concerning the tax exempt status of an organization apart from the IRS recognition.
- 9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:**

Name: Len Heugly, Tax Analyst

Address: Tax Policy and Research Division
Arizona Department of Revenue
1600 W. Monroe, Room 810
Phoenix, AZ 85007

Telephone: (602) 716-6039

Fax: (602) 716-7995

E-mail: LHeugly@azdor.gov

10. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rules:

No oral proceeding is scheduled. Under A.R.S. § 41-1023(C), an oral proceeding will be scheduled if a written request is submitted to the person identified in item 4 within 30 days after publication of this notice.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 15. REVENUE

**CHAPTER 5. DEPARTMENT OF REVENUE
TRANSACTION PRIVILEGE AND USE TAX SECTION**

ARTICLE 1. RETAIL CLASSIFICATION

Section

R15-5-180. Sales by Businesses in Federal Areas
R15-5-182. Nonprofit Organizations

ARTICLE 4. AMUSEMENT CLASSIFICATION

Section

R15-5-403. Amusement Devices
R15-5-406. Health or Fitness Establishments and Private Recreational Establishments

ARTICLE 1. RETAIL CLASSIFICATION

R15-5-180. Sales by Businesses in Federal Areas

Gross receipts from sales by businesses ~~which are~~ not operated by or as an agency of the Federal Government, located on military bases or other federal areas, are ~~taxable~~ subject to tax.

R15-5-182. Nonprofit Organizations

- A.** Gross receipts from the sale of tangible personal property to nonprofit churches, schools, and other nonprofit organizations are taxable unless otherwise exempt.
- B.** Gross receipts from the sale of tangible personal property by a charitable nonprofit organization, recognized as such for income tax purposes by the Internal Revenue Service ~~and the Department~~, are not ~~taxable~~ subject to tax.
- ~~C.~~ ~~If an organization wishes to obtain tax exempt status by being recognized by the Department as a nonprofit charitable organization, it shall submit a letter to the Department requesting tax-exempt status and shall include a copy of its Internal Revenue Service recognition as such an organization.~~
- ~~D.C.~~ For purposes of the statutory exemption and this rule, the Internal Revenue Service recognition of a charitable nonprofit organization is defined in Internal Revenue Code § 501(c)(3).

ARTICLE 4. AMUSEMENT CLASSIFICATION

R15-5-403. Amusement Devices

Gross proceeds of sales or gross income from the operation of coin-operated and other devices ~~which~~ that provide amusement are included in the tax base under the amusement classification. Examples ~~of such devices~~ include: devices that play prerecorded music, electronic games, pinball games, and billiard tables.

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1. The tax base from the business of operating amusement devices is the gross amount received from the amusement devices without deduction for commissions paid, rental cost for the equipment, or other expenses.
2. The individual having direct control of the funds generated by the amusement devices shall pay the tax to the Department.

R15-5-406. Health or Fitness Establishments and Private Recreational Establishments

- A. The operator of a "health or fitness establishment" or a "private recreational establishment," as defined in A.R.S. § 42-1310.13-5073(C), shall exclude from the tax base under the amusement classification all gross proceeds of sales or gross income from membership fees and initiation fees ~~which that~~ provide for the right to use the establishment, or any portion of the establishment, for 28 days or more, and fees charged for the use of the establishment by bona fide accompanied guests of members. Any other fees for the use of a health or fitness establishment or a private recreational establishment, or any portion of such an establishment, are included in the tax base of the amusement classification.
- B. ~~The Department shall not consider the gross~~ Gross proceeds of sales or gross income derived from other businesses that are located on the premises of a health, fitness, or recreational business shall not be considered when determining whether a health, fitness, or recreational business ~~meets~~ satisfies the qualifications ~~of as~~ a "health or fitness establishment" or a "private recreational establishment" if the other businesses are separate and independent from the health, fitness, or recreational business. Whether the other businesses are separate and independent depends upon the facts in each case. The Department considers several factors in making this determination including but not limited to the following:
 1. Whether the business is open to both members and nonmembers;
 2. Whether the primary purpose of the business is closely related to the primary purpose of the health, fitness, or recreational business;
 3. Whether the business could exist without the health, fitness, or recreational business;
 4. Whether the business shares assets or employees with the health, fitness, or recreational business.

NOTICE OF PROPOSED RULEMAKING

TITLE 15. REVENUE

**CHAPTER 7. DEPARTMENT OF REVENUE
BINGO SECTION**

[R06-414]

PREAMBLE

1. Sections Affected

Article 6
 R15-7-602
 R15-7-603
 R15-7-604
 R15-7-606
 R15-7-608
 R15-7-621
 R15-7-622

Rulemaking Action

Repeal
 Repeal
 Repeal
 Repeal
 Repeal
 Repeal
 Repeal
 Repeal

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. § 5-402; A.R.S. § 42-1005
 Implementing statutes: A.R.S. § 5-402; A.R.S. § 41-1092.02

3. A list of all previous notices appearing in the Register addressing the proposed rules:

Notice of Rulemaking Docket Opening; 12 A.A.R. 4108, November 3, 2006

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Dan Jensen, Tax Analyst
 Address: Tax Policy and Research Division
 Arizona Department of Revenue
 1600 W. Monroe, Room 810
 Phoenix, AZ 85007
 Telephone: (602) 716-6377
 Fax: (602) 716-7995

E-mail: DJensen@azdor.gov

Please visit the ADOR Web site to track the progress of these rules and other agency rulemaking matters at www.azdor.gov/ResearchStats/draftdocuments.htm.

5. An explanation of the rules, including the agency's reasons for initiating the rules:

The following rulemaking is pursuant to changes recommended in the latest 5-year review report of the rules in Chapter 7 of Title 15 applicable to games of bingo. That review recommended that the following rules be amended because legislative changes now place bingo hearing under the direction of the Office of Administrative Hearings. After reviewing all applicable statutes and rules, the Department has determined that there is no need at this time to have separate hearing and appeal procedure rules for games of bingo. Therefore, the Department proposes that these rules be repealed.

6. A reference to any study relevant to the rules that the agency reviewed and either proposes to rely on or not to rely on in its evaluation of or justification for the rules, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rules are necessary to promote a statewide interest if the rules will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

There should be little to no economic impact associated with repealing these rules. Neither the Department nor the Office of Administrative Hearings has had a bingo hearing in over fifteen years. Bingo licensees who may request a hearing in the future will benefit from one clear set of rules governing bingo hearings and appeal procedures, instead of looking at multiple sets of rules on the subject from two different administrative agencies. The Department may experience cost savings due to this increased clarification. This rulemaking is unlikely to cause an increase in bingo hearings or appeals.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Dan Jensen, Tax Analyst
Address: Tax Policy and Research Division
Arizona Department of Revenue
1600 W. Monroe, Room 810
Phoenix, AZ 85007
Telephone: (602) 716-6377
Fax: (602) 716-7995
E-mail: DJensen@azdor.gov

10. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rules:

No oral proceeding is scheduled. Under A.R.S. § 41-1023(C), an oral proceeding will be scheduled if a written request is submitted to the person identified in item 4 within 30 days after publication of this notice.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 15. REVENUE

CHAPTER 7. DEPARTMENT OF REVENUE

BINGO SECTION

ARTICLE 6. HEARING AND APPEAL PROCEDURES REPEALED

Section

- R15-7-602. ~~Proper Parties~~ Repealed
- R15-7-603. ~~Form of Objection~~ Repealed
- R15-7-604. ~~Manner of Filing~~ Repealed
- R15-7-606. ~~Supplementation of Petition~~ Repealed
- R15-7-608. ~~Withdrawal of Petition~~ Repealed
- R15-7-621. ~~Objections to Proposed Decision or Order of Hearing Officer; Request for Rehearing~~ Repealed
- R15-7-622. ~~Appeal to Superior Court~~ Repealed

ARTICLE 6. HEARING AND APPEAL PROCEDURES REPEALED

R15-7-602. ~~Proper Parties~~ Repealed

The licensing authority and the licensee shall be the parties to any hearing involving bingo licensing, license suspension, or license revocation. The manager, if any, shall represent the licensee at all hearings.

R15-7-603. ~~Form of Objection~~ Repealed

All objections to the licensing authority's actions or proposed actions shall be by petition. The petition shall be legible and state the following information:

1. The name, address, and phone number of the licensee and the licensee's manager;
2. A description of the action by, and a copy of the notice from, the licensing authority, if any;
3. Statement of errors alleged with particularity to have been committed by the licensing authority in the determination of the action;
4. Statement of facts upon which licensee relies to support the assignment of errors alleged to have been committed by the licensing authority;
5. Relief sought; and
6. Whether an oral hearing is requested.

R15-7-604. ~~Manner of Filing~~ Repealed

- A.** A petition filed in opposition to an action or a proposed action by the licensing authority and any supporting memoranda shall be filed in duplicate with the licensing authority's Hearing Office in Phoenix, Arizona.
- B.** No fee shall be charged for the filing of any petition or supporting memoranda.
- C.** Upon receipt of a petition, the licensing authority's Hearing Office shall record the filing of the petition in the docket book and assign a case number. A copy of the petition and any supporting memoranda shall then be transmitted to the licensing authority.
- D.** A fee will not be charged for the filing of any document.

R15-7-606. ~~Supplementation of Petition~~ Repealed

If a petition is timely filed but incomplete, the Hearing Officer may grant the licensee an additional period of time, not to exceed 15 days, within which to supplement the petition. A supplement to the petition shall be excluded if it is not filed within the additional time period which was granted.

R15-7-608. ~~Withdrawal of Petition~~ Repealed

- A.** Prior to the issuance of a final decision by the Department, the petition may be withdrawn at the written request of the licensee.
- B.** When the petition is withdrawn, the licensing authority's action or proposed action shall be deemed final and shall not be subject to any further review.

R15-7-621. ~~Objections to Proposed Decision or Order of Hearing Officer; Request for Rehearing~~ Repealed

- A.** The licensing authority or the licensee may file objections to the proposed decision or order of the Hearing Officer in the form of a petition setting forth the specific reasons for the objections, within 15 days after the objecting party receives notice of the proposed decision or order. Either party may request a rehearing at the time it files its objections to the proposed decision or order.
- B.** At the expiration of the 15-day petitioning period, or after the rehearing if the request for rehearing is granted, the proposed decision or order of the Hearing Officer shall be forwarded to the Director of the Department, together with all peti-

tions filed in opposition to the proposed decision or order.

- ~~C.~~ The Director of the Department may adopt the proposed decision or order of the Hearing Officer as the Final Order of the Department or may prepare a Director's decision.
- ~~D.~~ If the Director of the Department adopts the proposed decision or order of the Hearing Officer, it shall be issued as the Final Order of the Department.
- ~~E.~~ If the Director of the Department prepares a Director's decision, it shall be issued as the Final Order of the Department.

R15-7-622. Appeal to Superior Court Repealed

The licensee may appeal to the superior court a Final Order of the Department, only after exhaustion of all administrative remedies, under the provisions of A.R.S. Title 12, Chapter 7, Article 6.